

TESTIMONY OF U.S. REPRESENTATIVE NICK J. RAHALL, II  
BEFORE AT BUDGET HEARING BEFORE HOUSE BUDGET COMMITTEE

Chairman Nussle, Ranking Member Spratt, and members of the Committee, thank you for the opportunity to testify before you today on transportation issues and the President's budget.

As a senior member of the Transportation and Infrastructure Committee, I have reviewed the proposal for its impact on infrastructure matters. In addition, I want to thank Ranking Member Spratt for the information he has provided on these matters and other issues in the budget.

Generally speaking, the budget request proposes a wholesale reduction of almost \$11 billion for programs within the Transportation and Infrastructure Committee's jurisdiction. Simply stated, the proposed cuts are a bad idea. The Federal Highway Administration estimates that every \$1 billion spent on infrastructure creates over 47,000 jobs and \$6.1 billion of economic activity. Therefore, the proposed cuts will lead to a loss of almost a half-a-million jobs. Combine that with a failure to capitalize on over \$12 billion of opportunity. At a time when we remain stuck in a weak economy, the impact of these cuts will be devastating.

Further, Mr. Chairman, I want to address three specific issues in the budget request that affect matters falling under the Transportation and Infrastructure Committee's jurisdiction.

The first is the Transportation Equity Act for the 21<sup>st</sup> Century, also known as "TEA 21."

The second is the Appalachian Regional Commission.

And, the third is Amtrak.

This year the Transportation and Infrastructure Committee will take the lead on reauthorizing TEA 21. As we do so, it is absolutely necessary that we maintain the budgetary firewalls. Also, we must fully fund the baseline level for the Highway Trust Fund.

Mr. Chairman, when President Eisenhower and Congress established the Highway Trust Fund in 1956, they made a promise to the American people. Motorists would pay a gasoline user fee into a Trust Fund. That Trust Fund would provide for America's infrastructure. As a result, the United States now possesses the greatest infrastructure network in the world.

To protect the Highway Trust Fund, we had to establish budgetary firewalls in TEA 21. This was necessary to prevent a practice that had grown common over the years. Too frequently, the Highway Trust Fund fell victim to the budget process, and gas tax revenues were not used for their intended purpose.

Now, these firewalls need to be extended as we go forward. Looking over the budget proposal, I noticed that the Administration proposes budget caps for the next several years. Mr. Chairman, I would submit that it is also appropriate that we extend the firewalls for the Highway Trust Fund. By doing so, we can maintain fiscal discipline while keeping the promise that President Eisenhower and Congress made to the American people.

Also, the proposal cuts the baseline level of funding in the Highway Trust Fund by about \$2.5 billion. This one budget cut alone would translate into a loss of more than

115,000 jobs. Instead of cutting the Trust Fund, we need to use the 2002 level as a baseline, so that we can grow the program to meet future needs.

Moving on to the Appalachian Regional Commission, the A.R.C. provides vital infrastructure investments in a historically distressed area of the country. But the proposal calls for massive cuts in this critical program that spans 13 states -- including all of West Virginia, my home state.

In the 1960's, President Johnson carried out a promise to help raise the Appalachian region out of its crushing poverty when he formed the Appalachian Regional Commission. For over 30 years, the A.R.C. has provided for development and jobs throughout 410 counties across a 200,000 square mile region. Although the Appalachian region is dramatically improved because of this effort, there remains more work to be done to fulfill the promise made.

What is proposed would slash the A.R.C. budget by over 50% from its Fiscal Year 2002 levels. Mr. Chairman, doing so will simply gut this program that so many people across so many states rely on. So, I urge you to fully fund this program in the Budget Resolution.

Finally, Amtrak. The Administration proposes \$300 million less than what Amtrak says that it needs to continue operating. I know I join with many of my colleagues from both sides of the aisle in the House and the Senate when I say that David Gunn should be commended for the fine job he is doing at instituting reforms. I think Mr. Gunn needs to be allowed to continue these efforts. To help him do so, I urge the Committee to make the necessary funding of \$1.2 billion available.

In conclusion, the Transportation and Infrastructure Committee has historically been among the largest, the most bipartisan, and the most diverse committees in all of Congress. The Budget Resolution will affect key issues that the Transportation and Infrastructure Committee will address this year, and it will be critical for our two committees to work together. We need to combine our efforts to craft legislation that allows us to reinvest in our Nation's infrastructure and provides good jobs. The way to do that is by providing full funding rather than large, wholesale cuts.